

TO: Distribution

FROM: Marketing Information & Analysis/Bruce Neidle *Bruce*

SUBJECT: Cambridge/Doral Pricing Survey - Flash Report

DATE: December 18, 1989

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[Signature]

Effective December 4th, P.M.'s Cambridge/Alpine now have a list price which is \$2.50/M higher than R.J.R.'s Doral/Magna. The following ad-hoc data sources have been established to determine the extent that R.J.R.'s lower list prices are being passed through the channels of distribution.

- Wholesale - An initial telephone survey of approximately 40 wholesale distributors and 20 wholesale grocers to determine actual carton prices. These panels will be expanded in future reports.
- Retail - A weekly in-store audit of 1,000 outlets segmented by trade class to determine consumer pack and carton prices.

Although retail pricing data will not be available until next week, the following summarizes findings at the wholesale level for the latest two weeks.

SUMMARY

- During the week ending December 8th, approximately 10% of wholesale distributors and 14% of wholesale grocers passed along the 50¢ per carton differential to their retail accounts. The actual range among the direct accounts was 45¢ to 52¢.
- During the week ending December 15th, preliminary data indicates that the percent of wholesale distributors passing along the differential remained constant at 10%, while the percent of wholesale grocers increased from 14% to 35%.
- No geographic skews are evident among the wholesalers that have passed along the price difference.

If you have any questions, please let me know.

PRICE2/lj

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